

Based on similar-type features purchased from vendors in the past, the Pacific Companies estimate that it will cost about \$50,000 per switch for OSS7 software. With approximately 690 switches in the Pacific Bell network, and 25 switches in Nevada Bell's network, the costs are estimated to be \$35 million. End office trunking will also need to be augmented to handle the additional calls sent to the operator service switch. The initial costs for the trunking upgrades will be approximately \$15 million.

The next component of network costs involves augmenting the AABS system to handle increased call volumes. We estimate these costs to be \$17 million based on existing AABS capabilities. Any office not currently provisioned to handle AABS under BPP would need to be upgraded. Additional development costs may be necessary for AABS to send and recognize the appropriate information to avoid the two operator problem. Those costs have not yet been estimated because the final technical requirements for BPP have not yet been developed.

Also, LIDB will need to be modified to accept BPP, and to unbundle the validation data from the carrier identification function. Estimated development costs are approximately \$1.2 million.

The second cost category is administration and billing. These are the costs for updating the customer's choice of carrier, handling customer inquiries and complaints, and setting up the billing system to handle BPP. We estimate these costs at

approximately \$5 million for implementation, and \$2 million as a recurring, ongoing expense.

Operator service costs are the last cost category. These include the costs of having additional operators handling the greater volume of 0+ calls routing through the Pacific Companies network. We estimate these costs to be \$9 million for office facilities required for the additional operators, and \$10 million in recurring labor costs.

The Pacific Companies reiterate the sketchy nature of these cost figures due to the fact that key portions of the costs are dependent on vendor prices, which are not yet available. Also, no time and motion studies have been performed to quantify labor costs. However, based on current information and assumptions, the implementation costs for BPP total \$116 million, with ongoing costs of approximately \$26 million per year.

VI. ALTERNATIVES TO BPP

The Commission seeks comment on whether alternate, less costly technologies may provide some or all of the benefits of BPP.²⁵ The Pacific Companies are unaware of any technologies that could be used instead of BPP. As outlined in our comments and reply comments filed earlier this year,²⁶ 0+ calling card

²⁵ NPRM at 29.

²⁶ June 2, 1992 and June 17, 1992 respectively.

mutuality provides end users the opportunity to dial on an 0+ basis from all stations. 0+ mutuality requires any party who wants its end users to be able to dial 0+ to make its billing and collection and validation data available. This allows end users to dial 0+ from any station, but the end user will receive service from the OSP assigned to the telephone line. If a end user wants to use a non presubscribed carrier, the end user must dial an access code. While this proposal addresses some of the perceived competitive inequity in keeping validation databases proprietary, it does not fully address the issue of what carrier the customer would like to complete the call.

CONCLUSION

The Pacific Companies believe BPP is of great benefit to the public since it provides the 0+ equivalent of equal access. However, this benefit comes with significant costs to the local exchange carrier. Under BPP, the LEC acts as a conduit through which all operator assisted calls flow. While this requires the LECs to incur substantial costs, the true benefits of BPP are realized by the end users and the OSPs. Therefore, cost recovery mechanisms are critical for the LEC. The Commission must require not only LECs, but all OSPs to implement and use BPP; otherwise, BPP will not work as designed and the LECs may be burdened with stranded investment. And, more importantly, end users would still not get their carrier of choice if some segments of the market were not required to implement BPP. Therefore, the Commission should mandate BPP as set forth in these comments, for

interLATA 0+ calling card, collect and third party calls from all stations. All OSPs should be mandated to use BPP and to upgrade networks to allow BPP to work. And, cost recovery of the significant costs involved in deploying this technology must be assured. In this way, end users will benefit from an easy to understand and easy to use 0+ dialing system, and from increased competition among OSPs which will drive prices downward while stimulating service quality.

Respectfully submitted,

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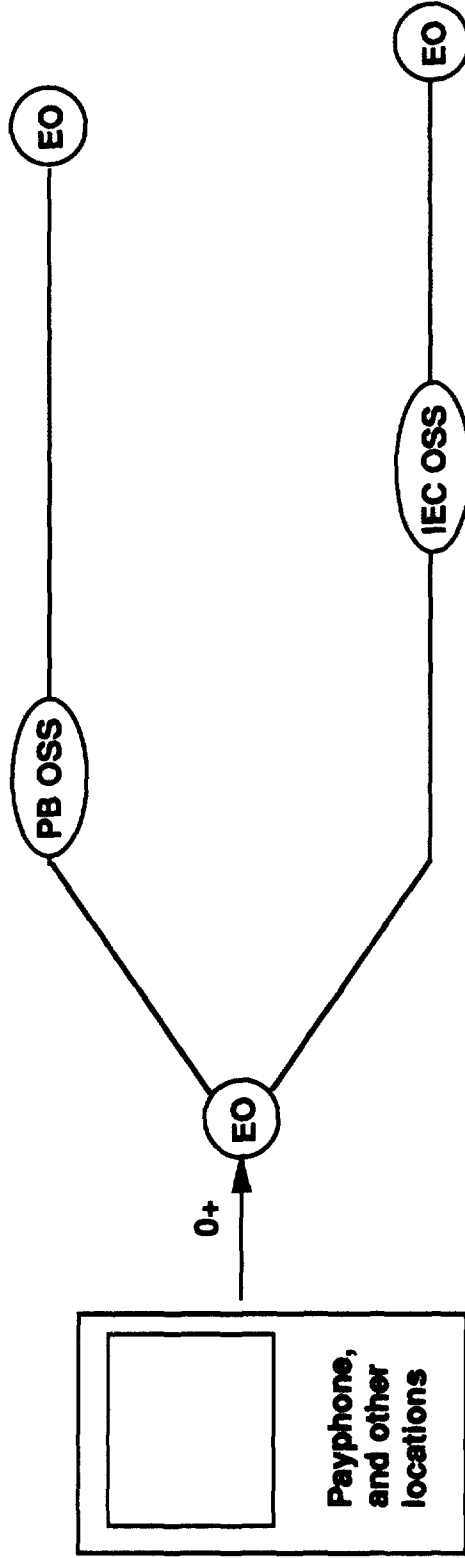
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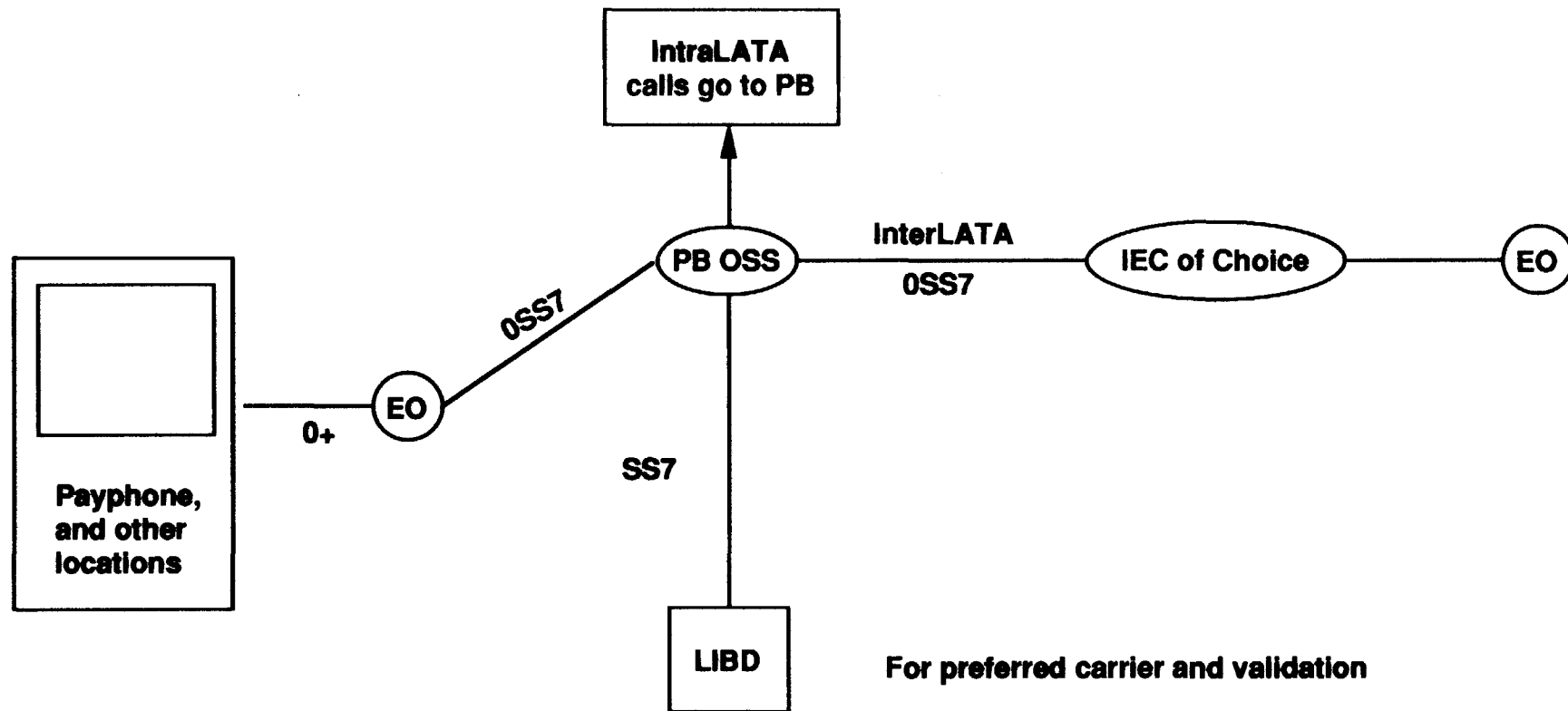
0+CALL ROUTING - TODAY



EO = End Office

OSS = Operator Service Switch

BILLED PARTY PREFERENCE - PROPOSED



CERTIFICATE OF SERVICE

I, S. L. McGreevy, hereby certify that copies of the foregoing "COMMENTS OF PACIFIC BELL AND NEVADA BELL" were served by hand or by first-class United States mail, postage prepaid, upon the parties appearing on the attached service list this 7th day of July, 1992.

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